Form (2)

Sr. No. 442-J
Date 11/4/2017

THE REPUBLIC OF THE UNION OF MYANMAR
The Myanmar Investment Commission
PERMIT

Permit No. 1261/2017 Date 11 April 2017

This Permit is issued by the Myanmar Investment Commission according to the section 13, sub-section (b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MR. ZHAO, BINGXUE

(b) Citizenship CHINESE

(c) Address 89th STREET, SHIN PHU STREET, NAN HWUN WARD, CHAN KYAN TOWN, PEOPLE'S REPUBLIC OF CHINA

(d) Name and Address of Principal Organization -

(e) Place of incorporation -

(f) Type of investment business MANUFACTURING OF GARMENTS ON CMP BASIS

(g) Place(s) at which investment is permitted PLOT NO. 5, MYAY TAING BLOCK NO. YALAPA-25, HLAING THARYAR TOWNSHIP, YANGON REGION

(h) Amount of Foreign Capital US$ 1.00 MILLION

(i) Period for foreign capital brought in WITHIN ONE YEAR FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 1.00 MILLION

(k) Construction period ONE YEAR

(l) Validity of investment permit 30 YEARS

(m) Form of investment WHOLLY FOREIGN OWNED

(n) Name of Company incorporated in Myanmar SINOPROUD (MYANMAR) GARMENT COMPANY LIMITED

11.4.17

Chairman

The Myanmar Investment Commission

ပုံစံ (၂)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၁၂၆၀/၂၀၁၇ ၂၀၁၇ ခုနှစ် ဧပြီ လ ၁၁ ရက်

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၃၊ ပုဒ်မခွဲ(ခ) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ရင်းနှီးမြှုပ်နှံသူ/ကမကထပြုသူအမည် MR. ZHAO, BINGXUE

(ခ) နိုင်ငံသား CHINESE

(ဂ) နေရပ်လိပ်စာ 89th STREET, SHIN PHU STREET, NAN HWUN WARD, CHAN KYAN TOWN, PEOPLE'S REPUBLIC OF CHINA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ -

(င) ဖွဲ့စည်းရာအရပ် -

(စ) ရင်းနှီးမြှုပ်နှံသည့်လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့် အထည်အမျိုးမျိုး ချုပ်လုပ်ခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ်-၅၊ မြေတိုင်းရပ်ကွက်အမှတ်- ရလပ ၂၅၊ လှိုင်သာယာမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း ပမာဏ အမေရိကန်ဒေါ်လာ ၁.၀၀ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ခွင့်ပြုမိန့် ရရှိသည့်နေ့မှ (၁) နှစ်အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၁.၀၀ သန်းနှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) တည်ဆောက်မှုကာလ ၁ နှစ်

(ဌ) ရင်းနှီးမြှုပ်နှံမှုခွင့်ပြုသည့် သက်တမ်း ၁၀ နှစ်

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ ရာခိုင်နှုန်းပြည့်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု

(ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် SINOPROUD (MYANMAR) GARMENT COMPANY LIMITED

11-4-17

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

Republic of the Union of Myanmar ★ Myanmar Investment Commission
Sr. No. 412-J
Date 11/4/2017

THE REPUBLIC OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

No.(1), Thitsar Road, Yankin Township, Yangon

Tel: 95-1-658128
Fax:95-1-658141

Our ref :MIC-3/FI-1419/2017( )
Date : 11 April 2017

Subject: **Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Garments on CMP Basis" under the name of " Sinoproud (Myanmar) Garment Company Limited"**

Reference: Sinoproud (Myanmar) Garment Company Limited Letter dated (2-5-2016)

1. The Myanmar Investment Commission, at its meeting (5/2017) held on (13-3-2017), had approved that the proposal for investment in "Manufacturing of Garments on CMP Basis" under the name of "Sinoproud (Myanmar) Garment Company Limited" submitted by Mr. Zhao, Bingxue (99%) and Ms. Zhou Jianmei (1%) from People's Republic of China as a wholly foreign owned investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of the Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to Foreign Investment Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be initial 30 (thirty) years and extendable for 5 (five) years in one time commencing from the date of the issuance of Myanmar Investment Commission's permit. The term of the Lease Agreement for Land and Buildings shall be 30(thirty) years commencing from the date of signing of the Lease Agreement between Daw Mya Than Kyi @ Daw Khin Htay Win and U Kaung Paw @ U Aung Htun Win(Lessors) and Sinoproud (Myanmar) Garment Company Limited (Lessee) and extendable for 5(five) years with the consent of the Lessors subject to the approval of Myanmar Investment Commission. On the expiry of the lease period for land and buildings, Sinoproud (Myanmar) Garment Company Limited shall transfer the leased land and buildings to the Lessors within 3(three) months in good condition, ground damages having been refilled and repaired.

4. The annual rent for the land and buildings shall be Kyat 78,000,000 (Kyat seventy-eight million) calculated at the rate of Kyat 7905.75 per square metre per year of the total area of the land measuring 9866.24 square metres(2.438 acres). The rate of rent shall be revised in view of prevailing land and buildings lease rates after every 5 (five) years period and increase of the rent shall not be more than 5% of the preceding annual rent.

5. In issuing this "Permit," the Commission has granted the following exemptions and reliefs as per Chapter XII, section 27(a), (h), (i) and (k) of Foreign Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project:-

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial production;

(b) As per section 27(h), exemption or relief from customs duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

(d) As per section 27(k), exemption or relief from commercial tax on the goods produced for export.

6. Sinoproud (Myanmar) Garment Company Limited shall have to sign the Lease Agreement for Land and Buildings with Daw Mya Than Kyi @ Daw Khin Htay Win and U Kaung Paw @ U Aung Htun Win. After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

7. Sinoproud (Myanmar) Garment Company Limited in consultation with the Company Division, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of

Incorporation, Memorandum of Association and Articles of Association shall have to be forwarded to the Commission.

8. Sinoproud (Myanmar) Garment Company Limited shall use its best efforts for timely realization of work stated in the proposal. If none of such work has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

9. Sinoproud (Myanmar) Garment Company Limited has to abide by Chapter X, Rules 58 and 59 of the Foreign Investment Rules for construction period.

10. As per Chapter X, Rule 61 of the Foreign Investment Rules, extension of construction period shall not be allowed more than twice except it is due to unavoidable events such as natural disasters, instabilities, riots, strikes, emergency of State condition, insurgency and outbreak of wars.

11. As per Chapter X, Rule 63 of the Foreign Investment Rules, if Sinoproud (Myanmar) Garment Company Limited cannot construct completely in time the construction period or extension period, the Commission will have to withdraw the permit issued to the investor and there is no refund for the expenses of the project.

12. The investor or promoter shall apply the commencement date of commercial operation with Form (11) for their manufacturing business and report to the Commission in accordance with Foreign Investment Rule 97.

13. Sinoproud (Myanmar) Garment Company Limited shall endeavour to meet the targets for production and export stated on the proposal as the minimum target.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal and also in accordance with Chapter XI, section 24 and section 25 of Foreign Investment Law and Sinoproud (Myanmar) Garment Company Limited has to follow the existing Labour Laws for the recruitment of staffs and labours and for training accordingly on Chapter XIII, Rule 84 of the Foreign Investment Rules.

15. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rules 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency.

16. Sinoproud (Myanmar) Garment Company Limited brings in foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency in the manner of paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. Sinoproud (Myanmar) Garment Company Limited has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 of the Foreign Investment Rules and for account transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of a citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

18. Sinoproud (Myanmar) Garment Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost overrun, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

19. Sinoproud (Myanmar) Garment Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. In

addition to this, it shall carry out as per instructions made by Ministry of Natural Resources and Environmental Conservation in which to conduct Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity. It shall have to prepare, submit and perform activities in accordance with this EMP and to abide by the environmental policy, Environmental Conservation Law and other environmental related rules and procedures.

20. After getting permit from Myanmar Investment Commission, Sinoproud (Myanmar) Garment Company Limited shall have to be registered at the Directorate of Industrial Supervision and Inspection.

21. Sinoproud (Myanmar) Garment Company Limited shall have to abide by the Fire Services Department's rules, regulations, directives and instructions. Moreover, fire prevention measures shall have to be undertaken such as water storage tank, fire hooks, sand bags, fire extinguishers and provide training to use the fire fighting equipment and also to be appointed the fire safety officer.

22. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc., shall only be made from export earning (CMP charges) of Sinoproud (Myanmar) Garment Company Limited.

23. Sinoproud (Myanmar) Garment Company Limited in consultation with Myanma Insurance shall effect such types of insurance defined under Chapter XII, Rules 79 and 80 of Foreign Investment Rules.

11.4.17

(Kyaw Win)
Chairman

Sinoproud (Myanmar) Garment Company Limited

cc: 1. Office of the Government of the Republic of the Union of Myanmar
2. Ministry of Home Affairs
3. Ministry of Natural Resources and Environmental Conservation
4. Ministry of Labour, Immigration and Population
5. Ministry of Industry

6. Ministry of Commerce
7. Ministry of Planning & Finance
8. Chairman, CMP Enterprises Supervision Committee
9. Office of the Yangon Region Government
10. Director General, Department of Environmental Conservation
11. Director General, Directorate of Labour
12. Director General, Immigration Department
13. Director General, Directorate of Industrial Supervision and Inspection
14. Director General, Department of Trade
15. Director General, Directorate of Investment and Company Registration
16. Director General, National Archives Department
17. Director General, Customs Department
18. Director General, Internal Revenue Department